

Message Text

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PAGE 01 STOCKH 03547 260729Z

ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 IO-13 NEA-10

NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04

SIL-01 AGRE-00 OMB-01 SS-15 XMB-02 L-03 H-01

IGA-02 /120 W

-----065827 260803Z /17

R 251443Z AUG 77

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 1445

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY VIENNA

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USEEC

USOECD

E.O. 11652: N/A

TAGS: EFIN, PO, SW

SUBJ: FINANCIAL ASSISTANCE FOR PORTUGAL

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REF: (A) STOCKHOLM 3007, (B) STATE A-3364.

1. PRIMARY RESPONSIBILITY WITHIN THE GOS FOR DRAWING UP SWEDEN'S
PLANS FOR BALANCE OF PAYMENTS ASSISTANCE TO PORTUGAL HAS BEEN
GIVEN TO BENGT WAHLSTEDT IN THE INTERNATIONAL SECRETARIET OF THE
MINISTRY OF ECONOMY. WALSTEDT'S RESPONSIBILITIES INCLUDE

PREPARING A DRAFT CREDIT AGREEMENT WITH PORTUGAL AS WELL AS LEGISLATION WHICH WILL BE NECESSARY.

2. TO ASSIST WAHLSTEDT, EMBASSY HAS GIVEN HIM THE TEXT OF THE US CONGRESSIONAL PRESENTATION WHICH ACCOMPANIED REF B. (IT IS NOT CLEAR TO EMBASSY IF REF B IS INTENDED TO ANSWER QUERIES PUT IN REF A.)

3. WAHLSTEDT HAS ASKED THE EMBASSY IF THERE EXISTS OR THERE IS PROPOSED A MORE OR LESS STANDARD TEXT FOR THE VARIOUS CREDIT AGREEMENTS WHICH ASSISTING GOVERNMENTS WILL SIGN WITH THE PORTUGUESE. FOR EXAMPLE, WAHLSTEDT WONDERS IF THERE MIGHT NOT BE A STANDARD CLAUSE ON DEFAULTS, ON PAYMENT DATES, ON THE CONDITIONS WHICH THE IMF WILL ATTACH TO PORTUGUESE ECONOMIC POLICIES, AND POSSIBLE WORDING CONCERNING THE PRIORITY OF CREDITORS IN THE EVENT OF GOP BANKRUPTCY.

4. EMBASSY OFFICER TOLD WAHLSTEDT THAT IN SUCH COMMUNICATIONS AS THE EMBASSY HAS RECEIVED ON THIS SUBJECT THERE IS NO INDICATION OF INTEREST IN STANDARDIZING TO ANY DEGREE CREDIT AGREEMENTS WHICH WILL BE DRAWN UP IN THE AID-TO-PORTUGAL PROGRAM. HOWEVER, THE EMBASSY AGREED TO PUT WAHLSTEDT'S QUERIES TO THE DEPARTMENT. WE WOULD THEREFORE APPRECIATE A PROMPT REPLY AS WAHLSTEDT IS WORKING AGAINST TIGHT DEADLINES. IN ADDITION, WHERE DO WE STAND WITH PREPARATION OF THE BILATERAL US-PORTUGUESE CREDIT AGREEMENT? COULD WE PRESENT ITS TEXT TO THE GOS LIMITED OFFICIAL USE

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FOR GUIDANCE.

5. WAHLSTEDT BELIEVES THAT THE GOS LOAN TO PORTUGAL WILL NOT BE A CONTROVERSIAL MATTER IN THE RIKSDAG. HE SPECULATES THAT THE HEAVY BURDEN OF DOMESTIC LEGISLATION WHICH THE FALLDIN GOVERNMENT WILL SUBMIT IN EARLY OCTOBER MAY PRECLUDE ACTION ON THE PORTUGUESE LOAN UNTIL NOVEMBER. (WAHLSTEDT STATES THAT THIS WILL BE THE FIRST SWEDISH LOAN TO A FOREIGN GOVERNMENT DEBATED IN THE RIKSDAG, APART FROM THE ANNUAL ASSISTANCE LEGISLATION, SINCE SWEDEN'S LOAN TO THE USSR IN 1946.)

PERRY

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NNN

Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: EFIN, PO, SW
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